

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	10148	Agenda Number	30.
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Meeting Date:	October 20, 2011
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Department:	Purchasing
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Subject

Authorize award and execution of a 24-month requirements supply contract with TEXAS ENTERPRISES, INC. dba ALLIED SALES COMPANY, Austin, TX, for the purchase of industrial lubricants for the Austin Water Utility in an estimated amount not to exceed \$379,834.92, with two 12-month extension options in an estimated amount not to exceed \$189,917.46 per extension option, for a total estimated contract amount not to exceed \$759,669.84.

Amount and Source of Funding

Funding in the amount of \$174,091 is available in the Fiscal Year 2011-2012 Operating Budget of the Austin Water Utility. Funding for the remaining thirteen months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Sole bid received.
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Prior Council Action:	
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For More Information:	Sydney Ceder, Sr. Buyer, 974-2035
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Boards and Commission Action:	Recommended by the Water and Wastewater Commission.
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MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.
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Related Items:	
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Additional Backup Information

This contract will provide industrial lubricants for equipment at the Austin Water Utility's (AWU) treatment plants. Upon request by the maintenance supervisor at each plant, the contractor shall deliver the products to the various plants. In addition, and at no additional cost, the contractor shall conduct an annual lubrication audit and an annual equipment lubrication analysis to examine suitability and compatibility of lubricants in use at the requesting facility and to recommend any product changes that may be appropriate.

For the past fifteen years or more, Mobile Oil lubricants have been used on this equipment and the manufacturers recommend that if a product, other than that which has been used in the past, the equipment should be completely flushed of the old product before adding a different lubricant. The bids in the past have shown that, on average, an additional \$38,000 would be spent to completely flush the equipment to use a different brand of lubricants.

MBE/WBE solicited: 3/2

MBE/WBE bid: 0/0

BID TABULATION
IFB No. SSC0161
INDUSTRIAL LUBRICANTS
(92 Line Items)

VENDOR

TOTAL ANNUAL BID

TEXAS ENTERPRISES, INC. dba
ALLIED SALES CO.
Austin, Texas

\$189,917.46

A copy of the bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

PRICE ANALYSIS

- a. Sole Bid.
- b. Ninety-four notices were sent, including three MBEs and two WBEs. One bid was received, with no response from the MBE/WBE.
- c. The pricing offered represents an approximate 44% increase from the last contract award August 2007. This increase can be attributed to the industry wide increase in petroleum products.

APPROVAL JUSTIFICATION

- a. Sole bid received. Texas Enterprises, Inc. dba Allied Sales Co. is the current provider.
- b. The Purchasing Office concurs with the Austin Water Utility's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.